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WE CERTIFY THIS TO BE A
TRUE COPY OF THE ORIGINAL

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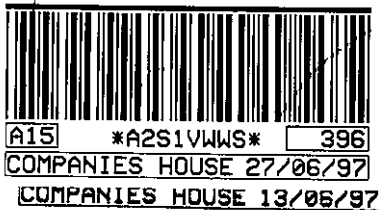
.....2 June..... 1997

ASSET SALE AGREEMENT

PASSED FOR FILING

DATED 16 MAY 1997

- (1) TRM COPY CENTRES (OVERSEAS) LIMITED (formerly TRM COPY CENTRES (U.K.) LIMITED)
- (2) TRM COPY CENTRES (U.K.) LIMITED



(1) THIS AGREEMENT is made the 16th day of May 1997

BETWEEN:

(1) **TRM COPY CENTERS (OVERSEAS) LIMITED** (formerly TRM COPY CENTERS (U.K.) LIMITED) a company incorporated in Oregon, USA, company number FC16597 whose registered office is at 5208 N.E. 122nd Avenue, Portland, Oregon 97230, USA and having a place of business in the UK at Unit 4, Brunel Centre, Newton Road, Crawley, West Sussex RH10 2US and registered under No. FC16597 ("the Seller"); and



(2.) **TRM COPY CENTERS (U.K.) LIMITED** a company incorporated in England and Wales (company number 3220922) whose registered office is at Unit 4, Brunel Centre, Newton Road, Crawley, West Sussex RH10 2US ("the Buyer").

WHEREAS:

- (1) The Seller and the Buyer are wholly-owned subsidiaries of TRM Copy Centers (USA) Corporation.
- (2) The Seller carries on the business of supplying photocopier services in the United Kingdom.
- (3) The Seller wishes to sell and the Buyer wishes to purchase the entire business of the Seller as a going concern upon the terms and conditions set out in this Agreement.

IT IS HEREBY AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement the following words and expressions have the following meaning:

"Business" means the business of supplying photocopier services in the United Kingdom;

"Completion" means completion of the sale and purchase of the Business pursuant to clause 4;

"Employees" means the employees employed by the Seller as at the close of business on the Transfer Date;

"Transfer Date" means 24 July 1996;

"Transferred Assets" means all rights and assets (whether tangible or intangible) of the Seller as at close of business on the Transfer Date, including, without limitation,

the goodwill of the Business, excluding only the statutory books of the Seller and the benefit of this Agreement; and

"Transferred Liabilities" means all past, present or future liabilities and obligations of the Seller whether actual or contingent to the extent undischarged at close of business on the Transfer Date, excluding only liabilities and obligations arising under this Agreement.

1.2 The headings to clauses of this Agreement shall not affect its construction.

2. **AGREEMENT TO SELL**

The Seller hereby agrees to sell the Transferred Assets with full title guarantee and free of any lien, charge or encumbrance whatsoever, to the Buyer, subject always to clause 5, on and with effect from close of business on the Transfer Date for the consideration set out in Clause 3.

3. **CONSIDERATION**

3.1 In consideration of the sale to the Buyer of the Transferred Assets the Buyer hereby agrees:

- (a) to pay the Seller the sum of £10,596,000 satisfied by the allotment of 10,595,999 shares of £1 each in the share capital of the buyer and discharge of the debt of £1 outstanding on the one subscriber share of £1.
- (b) to assume and discharge all the Transferred Liabilities in accordance with their terms (subject always to Clause 5) and to indemnify the Seller against all claims, liabilities, damages, loss or expense resulting from or incurred by the Seller in consequence of any failure by the Buyer to do so or otherwise in respect of the Transferred Liabilities.

3.2 The Buyer will use all reasonable efforts to procure that any Transferred Liability which does not consist of an obligation to pay money that is accrued at close of business by the release of the Seller from that obligation in exchange for the acceptance by the Buyer of a corresponding obligation towards the third party in question.

4. **COMPLETION**

4.1 Completion shall take place on the Transfer Date or as soon as is reasonably practicable thereafter.

4.2 On Completion the Seller shall deliver to the Buyer:

- (a) all Transferred Assets capable of passing by delivery; and

(b) assignments, conveyances or transfers duly executed by the Seller in terms agreed between the parties of such of the other Transferred Assets, and such documents of title relating to the Transferred Assets, as may have been agreed between the Seller and the Buyer prior to Completion.

4.3 Property and risk in the Transferred Assets shall pass to the Buyer on Completion (subject as provided in Clause 5).

4.4 The Seller shall execute and do or procure to be done after Completion all such other documents, acts and things as the Buyer shall reasonably require in order to vest legal title to and beneficial ownership of the Transferred Assets in the Buyer or its nominees or otherwise to give effect or further effect to the terms of this Agreement.

4.5 On Completion, the Buyer shall allot the shares referred to in Clause 3.1(a).

5. CONSENTS OF THIRD PARTIES

5.1 If the sale of any of the Transferred Assets to the Buyer or the assumption and discharge by the Buyer of any of the Transferred Liabilities would result in a breach of any agreement to which the Seller is party or by which it is bound (including without limitation any lease of real or personal property) or the acceleration of any obligations of the Seller or the assumption of further obligations by the Seller under any such agreement or in any third party being able to terminate any such agreement, then the Seller and the Buyer shall use all reasonable endeavours (at the Buyer's expense) as soon as is reasonably practicable after execution of this Agreement to obtain any consent or satisfy any requirement or condition that may be necessary in order that the Transferred Asset or Transferred Liability in question may be sold or discharged, as the case may be, without any such result.

5.2 Until any such consent as is referred to in Clause 5.1 shall have been obtained or any such requirement or condition as is referred to in Clause 5.1 shall have been satisfied:

(a) Clause 2 shall not operate so as to transfer any interest in the Transferred Asset in question to the Buyer or require the Transferred Liability in question to be discharged by the Buyer; and

(b) the provision of Clauses 5.3 and 5.4 below shall apply.

5.3 While this Clause 5.3 applies, the Buyer shall assume and discharge Transferred Liabilities falling within Clause 5.1 in the name of and as agent or attorney for the Seller but at the Buyer's expense or (at the Buyer's election) the Seller shall continue to perform or discharge such Transferred Liabilities at the direction and expense of the Buyer.

5.4 While this Clause 5.4 applies, the Seller shall hold upon trust for the Buyer and exercise its rights in respect of any Transferred Asset to which Clause 5.1 applies (and all sums and other benefits arising therefrom) as the Buyer may direct or approve and not otherwise.

5.5 Notwithstanding the foregoing, the parties may at any time after Completion waive the provisions of this Clause 5 on such terms as they see fit.

6. **VAT**

6.1 The parties intend that the provisions of Section 33 of the Value Added Tax Act 1983 and Article 12 of the Value Added Tax (Special Provisions) Order 1981 shall apply to the transfer of the Business, and the Seller and the Buyer shall use all reasonable endeavours to ensure that the sale of the Business is treated as neither a supply of goods nor a supply of services for the purposes of Value Added Tax.

6.2 The consideration payable under Clause 3.1.1 excludes any Value Added Tax which may be payable thereon so that if any Value Added Tax shall be payable in relation to the sale of the Business the Buyer shall pay the appropriate amount of Value Added Tax to the Seller within 30 days of delivery of appropriate tax invoices.

7. **DOCUMENTATION AND RECORDS**

As from Completion the Buyer shall, on reasonable prior notice during normal business hours, make available for inspection by the Seller or its representatives, and shall allow the Seller or its representatives to take copies and extracts from, any books and records which are delivered to the Buyer hereunder.

8. **EMPLOYEES**

The parties confirm their understanding that the contract of employment of each of the Employees (save in so far as relating to any occupational pension scheme) shall after Completion have effect as if originally made between each such Employee and the Buyer.

9. **ENTIRE AGREEMENT**

This Agreement and any documents required to be delivered pursuant to this Agreement set forth the entire agreement and understanding between the parties in connection with the transactions contemplated by this Agreement and supersedes and cancels any and all prior agreements, arrangements and representations by or between any of the parties. All implied warranties in relation to the Transferred Assets are hereby excluded to the extent allowed by law.

10. **SURVIVAL OF THIS AGREEMENT AFTER COMPLETION**

In so far as any provision of this Agreement shall not have been performed on Completion it shall thereafter survive and remain in full force and effect.

11. LAW

This Agreement shall be governed and construed in all respects by the law of England and the parties hereby submit to the non-exclusive jurisdiction of the English courts in respect of any matter or dispute arising under or in connection with this Agreement.

IN WITNESS whereof the parties have entered into this Agreement on the date appearing at the top of page 1.

SIGNED by 

a duly authorised

representative for and

on behalf of **TRM COPY CENTRES**

(OVERSEAS) LIMITED (formerly

TRM COPY CENTRES (U.K.)

LIMITED

SIGNED BY 

a duly authorised

representative for and

on behalf of **TRM COPY CENTRES**

(U.K.) LIMITED